

AF Approval [Signature]

Chief Approval [Signature]

UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 6:15-cr-45-Orl-41KRS

DOUGLAS SCHEELS

PLEA AGREEMENT

Pursuant to Fed. R. Crim. P. 11(c), the United States of America, by A. Lee Bentley, III, United States Attorney for the Middle District of Florida, and the defendant, DOUGLAS SCHEELS, and the attorney for the defendant, STEPHEN BAER, mutually agree as follows:

A. Particularized Terms

1. Counts Pleading To

The defendant shall enter a plea of guilty to Counts One and Two of the Superseding Information. Count One charges the defendant with Production of Child Pornography, in violation of 18 U.S.C. § 2251(a) and (e). Count Two charges the defendant with Receipt of Child Pornography, in violation of 18 U.S.C. § 2252A(a)(2) and (b)(1).

2. Minimum and Maximum Penalties

Count One is punishable by a mandatory minimum term of imprisonment of 15 years up to 30 years, a fine of not more than \$250,000, a

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term of supervised release of not less than 5 years up to life, and a special assessment of \$100.

Count Two is punishable by a mandatory minimum term of imprisonment of five years up to 20 years, a fine of not more than \$250,000, a term of supervised release of not less than five years up to life, and a special assessment of \$100.

The United States may recommend and the Court may impose consecutive terms of imprisonment for Counts One and Two, potentially resulting in a term of imprisonment of up to 50 years as a result of convictions on both counts. With respect to certain offenses, the Court shall order the defendant to make restitution to any victim of the offenses, and with respect to other offenses, the Court may order the defendant to make restitution to any victim of the offenses, or to the community, as set forth below.

3. Elements of the Offenses

The defendant acknowledges understanding the nature and elements of the offenses with which defendant has been charged and to which defendant is pleading guilty. The elements of Count One are:

- First: An actual minor, that is, a real person who was less than 18 years old, was depicted;
- Second: The Defendant employed, used, persuaded, induced, or enticed the minor to engage in sexually explicit conduct for the purpose of producing a visual depiction, e.g., photographs of the conduct; and
- Third: The visual depiction, e.g., photographs were produced using materials that had been transported in interstate or foreign

commerce by any means, or had been produced using a facility of interstate commerce, including by a computer or cellular telephone.

The elements of Count Two are:

First: The Defendant knowingly received an item or items of child pornography;

Second: The item of child pornography had been transported in interstate or foreign commerce, had been produced using materials that have been transported in interstate or foreign commerce, or had been produced using a facility of interstate commerce, including by a computer or cellular telephone; and

Third: When the Defendant received the item, the Defendant believed the item contained child pornography.

4. Indictment Waiver

Defendant will waive the right to be charged by way of Indictment before a federal grand jury.

5. Counts Dismissed

At the time of sentencing, the Indictment, filed at document 10 in the above-captioned case, will be dismissed pursuant to Fed. R. Crim. P. 11(c)(1)(A).

6. No Further Charges

If the Court accepts this plea agreement, the United States Attorney's Office for the Middle District of Florida agrees not to charge defendant with committing any other federal criminal offenses known to the United States Attorney's Office at the time of the execution of this agreement, related to the conduct giving rise to this plea agreement.

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7. Mandatory Restitution to Victim of Offense of Conviction

Pursuant to 18 U.S.C. §§ 3663A(a) and (b), 2248, and 2259, defendant agrees to make full restitution to the persons identified as "minor victim 1" and "minor victim 2" in the Superseding Information and any other minor victims in this case.

8. Mandatory Restitution to Victims of Offense of Conviction

Pursuant to 18 U.S.C. § 2259, defendant agrees to make restitution to known victims of the offense for the full amount of the victims' losses as determined by the Court. Further, pursuant to 18 U.S.C. § 3664(d)(5), the defendant agrees not to oppose bifurcation of the sentencing hearing if the victims' losses are not ascertainable prior to sentencing.

9. Acceptance of Responsibility - Three Levels

At the time of sentencing, and in the event that no adverse information is received suggesting such a recommendation to be unwarranted, the United States will not oppose the defendant's request to the Court that the defendant receive a two-level downward adjustment for acceptance of responsibility, pursuant to USSG §3E1.1(a). The defendant understands that this recommendation or request is not binding on the Court, and if not accepted by the Court, the defendant will not be allowed to withdraw from the plea.

Further, at the time of sentencing, if the defendant's offense level prior to operation of subsection (a) is level 16 or greater, and if the defendant



complies with the provisions of USSG §3E1.1(b) and all terms of this Plea Agreement, including but not limited to, the timely submission of the financial affidavit referenced in Paragraph B.5., the United States agrees to file a motion pursuant to USSG §3E1.1(b) for a downward adjustment of one additional level. The defendant understands that the determination as to whether the defendant has qualified for a downward adjustment of a third level for acceptance of responsibility rests solely with the United States Attorney for the Middle District of Florida, and the defendant agrees that the defendant cannot and will not challenge that determination, whether by appeal, collateral attack, or otherwise.

10. Forfeiture of Assets

The defendant agrees to forfeit to the United States immediately and voluntarily any and all assets and property, or portions thereof, subject to forfeiture, pursuant to 18 U.S.C. § 2252A(a)(5)(B) and 18 U.S.C. § 2253, whether in the possession or control of the United States, the defendant or defendant's nominees. The assets to be forfeited specifically include, but are not limited to, the following: an HTC EVO cellular telephone, model #PC36-100, serial #HT11YHL04794; Samsung tablet, model #SM-T217S, SKU SPH217STAB in black case; Samsung Galaxy SIII cellular telephone, model #SPH-L710 in a white case; Blackberry cellular telephone, model #RDU71CW; SanDisk thumb drive, a Samsung Note 3 cellular telephone, model #SM-N900P in a black case, and all memory cards contained in these devices, which assets facilitated the

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offenses charged in the Superseding Information and were used to produce, possess, receive, and/or distribute child pornography.

The defendant agrees and consents to the forfeiture of these assets pursuant to any federal criminal, civil judicial or administrative forfeiture action. The defendant also hereby agrees to waive all constitutional, statutory and procedural challenges in any manner (including direct appeal, habeas corpus, or any other means) to any forfeiture carried out in accordance with this Plea Agreement on any grounds, including that the forfeiture described herein constitutes an excessive fine, was not properly noticed in the charging instrument, addressed by the Court at the time of the guilty plea, announced at sentencing, or incorporated into the judgment.

The defendant admits and agrees that the conduct described in the Factual Basis below provides a sufficient factual and statutory basis for the forfeiture of the property sought by the government. Pursuant to the provisions of Rule 32.2(b)(1)(A), the United States and the defendant request that promptly after accepting this Plea Agreement, the Court make a determination that the government has established the requisite nexus between the property subject to forfeiture and the offenses to which defendant is pleading guilty and enter a preliminary order of forfeiture. Pursuant to Rule 32.2(b)(4), the defendant agrees that the preliminary order of forfeiture will satisfy the notice requirement and will be final as to the defendant at the time it is entered. In the event the forfeiture is

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omitted from the judgment, the defendant agrees that the forfeiture order may be incorporated into the written judgment at any time pursuant to Rule 36.

The defendant agrees to take all steps necessary to identify and locate all property subject to forfeiture and to transfer custody of such property to the United States before the defendant's sentencing. The defendant agrees to be interviewed by the government, prior to and after sentencing, regarding such assets and their connection to criminal conduct. The defendant further agrees to be polygraphed on the issue of assets, if it is deemed necessary by the United States. The defendant agrees that Federal Rule of Criminal Procedure 11 and USSG §1B1.8 will not protect from forfeiture assets disclosed by the defendant as part of his cooperation.

The defendant agrees to take all steps necessary to assist the government in obtaining clear title to the forfeitable assets before the defendant's sentencing. In addition to providing full and complete information about forfeitable assets, these steps include, but are not limited to, the surrender of title, the signing of a consent decree of forfeiture, and signing of any other documents necessary to effectuate such transfers.

The defendant agrees that the United States is not limited to forfeiture of the property specifically identified for forfeiture in this Plea Agreement. If the United States determines that property of the defendant identified for forfeiture cannot be located upon the exercise of due diligence; has been transferred or sold to, or deposited with, a third party; has been placed



beyond the jurisdiction of the Court; has been substantially diminished in value; or has been commingled with other property which cannot be divided without difficulty; then the United States shall, at its option, be entitled to forfeiture of any other property (substitute assets) of the defendant up to the value of any property described above. The Court shall retain jurisdiction to settle any disputes arising from application of this clause. The defendant agrees that forfeiture of substitute assets as authorized herein shall not be deemed an alteration of the defendant's sentence.

Forfeiture of the defendant's assets shall not be treated as satisfaction of any fine, restitution, cost of imprisonment, or any other penalty the Court may impose upon the defendant in addition to forfeiture.

The defendant agrees that, in the event the Court determines that the defendant has breached this section of the Plea Agreement, the defendant may be found ineligible for a reduction in the Guidelines calculation for acceptance of responsibility and substantial assistance, and may be eligible for an obstruction of justice enhancement.

7. Abandonment of Property - Computer Equipment

The United States of America and defendant hereby agree that any computer equipment as defined in 18 U.S.C. § 2256, seized from the defendant and currently in the custody and/or control of the Federal Bureau of Investigation or other appropriate agency, were properly seized and are subject to forfeiture to the government according to 18 U.S.C. §§ 2253 or 2254, and/or that the

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computer equipment and peripherals constitute evidence, contraband, or fruits of the crime for which he has pled guilty. As such, defendant hereby relinquishes all claim, title and interest he has in the computer equipment and peripherals to the United States of America with the understanding and consent that the Court, upon approval of this agreement, hereby directs the Federal Bureau of Investigation, or other appropriate agency, to cause the computer equipment described above to be destroyed forthwith without further obligation or duty whatsoever owing to defendant or any other person.

As part of the plea agreement in this case, defendant hereby states under penalty of perjury that he is the sole and rightful owner of the property, and that defendant hereby voluntarily abandons all right and claim to and consents to the destruction of: an HTC EVO cellular telephone, model #PC36-100, serial #HT11YHL04794; Samsung tablet, model #SM-T217S, SKU SPH217STAB in black case; Samsung Galaxy SIII cellular telephone, model #SPH-L710 in a white case; Blackberry cellular telephone, model #RDU71CW; SanDisk thumb drive, a Samsung Note 3 cellular telephone, model #SM-N900P in a black case, and all memory cards contained in these devices.

8. Sex Offender Registration and Notification

The defendant has been advised and understands, that under the Sex Offender Registration and Notification Act, a federal law, the defendant must register and keep the registration current in each of the following jurisdictions: the location of the defendant's residence, the location of the defendant's

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employment; and, if the defendant is a student, the location of the defendant's school. Registration will require that the defendant provide information that includes name, residence address, and the names and addresses of any places at which the defendant is or will be an employee or a student. The defendant understands that he must update his registrations not later than three business days after any change of name, residence, employment, or student status. The defendant understands that failure to comply with these obligations subjects the defendant to prosecution for failure to register under federal law, 18 U.S.C. § 2250, which is punishable by a fine or imprisonment, or both.

B. Standard Terms and Conditions

1. Restitution, Special Assessment and Fine

The defendant understands and agrees that the Court, in addition to or in lieu of any other penalty, shall order the defendant to make restitution to any victim of the offenses, pursuant to 18 U.S.C. § 3663A, for all offenses described in 18 U.S.C. § 3663A(c)(1); and the Court may order the defendant to make restitution to any victim of the offenses, pursuant to 18 U.S.C. § 3663, including restitution as to all counts charged, whether or not the defendant enters a plea of guilty to such counts, and whether or not such counts are dismissed pursuant to this agreement. The defendant further understands that compliance with any restitution payment plan imposed by the Court in no way precludes the United States from simultaneously pursuing other statutory remedies for collecting restitution (18 U.S.C. § 3003(b)(2)), including, but not limited to,

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garnishment and execution, pursuant to the Mandatory Victims Restitution Act, in order to ensure that the defendant's restitution obligation is satisfied.

On each count to which a plea of guilty is entered, the Court shall impose a special assessment pursuant to 18 U.S.C. § 3013. The special assessment is due on the date of sentencing. The defendant understands that this agreement imposes no limitation as to fine.

2. Supervised Release

The defendant understands that the offenses to which the defendant is pleading provide for imposition of a term of supervised release upon release from imprisonment, and that, if the defendant should violate the conditions of release, the defendant would be subject to a further term of imprisonment.

3. Immigration Consequences of Pleading Guilty

The defendant has been advised and understands that, upon conviction, a defendant who is not a United States citizen may be removed from the United States, denied citizenship, and denied admission to the United States in the future.

4. Sentencing Information

The United States reserves its right and obligation to report to the Court and the United States Probation Office all information concerning the background, character, and conduct of the defendant, to provide relevant factual information, including the totality of the defendant's criminal activities, if any, not



limited to the counts to which defendant pleads, to respond to comments made by the defendant or defendant's counsel, and to correct any misstatements or inaccuracies. The United States further reserves its right to make any recommendations it deems appropriate regarding the disposition of this case, subject to any limitations set forth herein, if any.

5. Financial Disclosures

Pursuant to 18 U.S.C. § 3664(d)(3) and Fed. R. Crim. P. 32(d)(2)(A)(ii), the defendant agrees to complete and submit to the United States Attorney's Office within 30 days of execution of this agreement an affidavit reflecting the defendant's financial condition. The defendant promises that his financial statement and disclosures will be complete, accurate and truthful and will include all assets in which he has any interest or over which the defendant exercises control, directly or indirectly, including those held by a spouse, dependent, nominee or other third party. The defendant further agrees to execute any documents requested by the United States needed to obtain from any third parties any records of assets owned by the defendant, directly or through a nominee, and, by the execution of this Plea Agreement, consents to the release of the defendant's tax returns for the previous five years. The defendant similarly agrees and authorizes the United States Attorney's Office to provide to, and obtain from, the United States Probation Office, the financial affidavit, any of the defendant's federal, state, and local tax returns, bank records and any other financial information concerning the defendant, for the purpose of

making any recommendations to the Court and for collecting any assessments, fines, restitution, or forfeiture ordered by the Court. The defendant expressly authorizes the United States Attorney's Office to obtain current credit reports in order to evaluate the defendant's ability to satisfy any financial obligation imposed by the Court.

6. Sentencing Recommendations

It is understood by the parties that the Court is neither a party to nor bound by this agreement. The Court may accept or reject the agreement, or defer a decision until it has had an opportunity to consider the presentence report prepared by the United States Probation Office. The defendant understands and acknowledges that, although the parties are permitted to make recommendations and present arguments to the Court, the sentence will be determined solely by the Court, with the assistance of the United States Probation Office. Defendant further understands and acknowledges that any discussions between defendant or defendant's attorney and the attorney or other agents for the government regarding any recommendations by the government are not binding on the Court and that, should any recommendations be rejected, defendant will not be permitted to withdraw defendant's plea pursuant to this plea agreement. The government expressly reserves the right to support and defend any decision that the Court may make with regard to the defendant's sentence, whether or not such decision is consistent with the government's recommendations contained herein.

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7. Defendant's Waiver of Right to Appeal the Sentence

The defendant agrees that this Court has jurisdiction and authority to impose any sentence up to the statutory maximum and expressly waives the right to appeal defendant's sentence on any ground, including the ground that the Court erred in determining the applicable guidelines range pursuant to the United States Sentencing Guidelines, except (a) the ground that the sentence exceeds the defendant's applicable guidelines range as determined by the Court pursuant to the United States Sentencing Guidelines; (b) the ground that the sentence exceeds the statutory maximum penalty; or (c) the ground that the sentence violates the Eighth Amendment to the Constitution; provided, however, that if the government exercises its right to appeal the sentence imposed, as authorized by 18 U.S.C. § 3742(b), then the defendant is released from his waiver and may appeal the sentence as authorized by 18 U.S.C. § 3742(a).

8. Middle District of Florida Agreement

It is further understood that this agreement is limited to the Office of the United States Attorney for the Middle District of Florida and cannot bind other federal, state, or local prosecuting authorities, although this office will bring defendant's cooperation, if any, to the attention of other prosecuting officers or others, if requested.

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9. Filing of Agreement

This agreement shall be presented to the Court, in open court or in camera, in whole or in part, upon a showing of good cause, and filed in this cause, at the time of defendant's entry of a plea of guilty pursuant hereto.

10. Voluntariness

The defendant acknowledges that defendant is entering into this agreement and is pleading guilty freely and voluntarily without reliance upon any discussions between the attorney for the government and the defendant and defendant's attorney and without promise of benefit of any kind (other than the concessions contained herein), and without threats, force, intimidation, or coercion of any kind. The defendant further acknowledges defendant's understanding of the nature of the offense or offenses to which defendant is pleading guilty and the elements thereof, including the penalties provided by law, and defendant's complete satisfaction with the representation and advice received from defendant's undersigned counsel (if any). The defendant also understands that defendant has the right to plead not guilty or to persist in that plea if it has already been made, and that defendant has the right to be tried by a jury with the assistance of counsel, the right to confront and cross-examine the witnesses against defendant, the right against compulsory self-incrimination, and the right to compulsory process for the attendance of witnesses to testify in defendant's defense; but, by pleading guilty, defendant waives or gives up those rights and there will be no trial. The defendant further understands that if



defendant pleads guilty, the Court may ask defendant questions about the offense or offenses to which defendant pleaded, and if defendant answers those questions under oath, on the record, and in the presence of counsel (if any), defendant's answers may later be used against defendant in a prosecution for perjury or false statement. The defendant also understands that defendant will be adjudicated guilty of the offenses to which defendant has pleaded and, if any of such offenses are felonies, may thereby be deprived of certain rights, such as the right to vote, to hold public office, to serve on a jury, or to have possession of firearms.

11. Factual Basis

Defendant is pleading guilty because defendant is in fact guilty. The defendant certifies that defendant does hereby admit that the facts set forth in the attached "Factual Basis," which is incorporated herein by reference, are true, and were this case to go to trial, the United States would be able to prove those specific facts and others beyond a reasonable doubt.

12. Entire Agreement

This plea agreement constitutes the entire agreement between the government and the defendant with respect to the aforementioned guilty plea and no other promises, agreements, or representations exist or have been made to the defendant or defendant's attorney with regard to such guilty plea.

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13. Certification

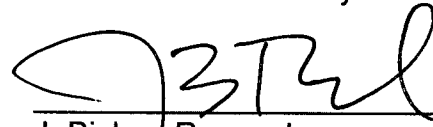
The defendant and defendant's counsel certify that this plea agreement has been read in its entirety by (or has been read to) the defendant and that defendant fully understands its terms.

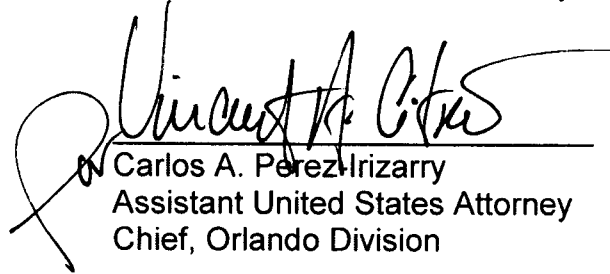
DATED this 10th day of June, 2015.


DOUGLAS SCHEELS
Defendant


STEPHEN BAER
Attorney for Defendant

A. LEE BENTLEY, III
United States Attorney


J. Bishop Ravenel
Assistant United States Attorney


Carlos A. Perez-Orizarry
Assistant United States Attorney
Chief, Orlando Division

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UNITED STATES DISTRICT COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION

UNITED STATES OF AMERICA

v.

CASE NO. 6:15-cr-45-Orl-41KRS

DOUGLAS SCHEELS

FACTUAL BASIS

Summary

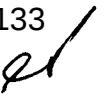
Beginning no later than June of 2014, and continuing through his arrest on January 11, 2015, Douglas Scheels ("SCHEELS") sought out, identified, communicated with, and sexually exploited several minors in his home, neighborhood, and through online communications. SCHEELS succeeded in employing, using, persuading, inducing, and enticing three minors, two of whom lived in close proximity to SCHEELS in Seminole County, Florida, within the Middle District of Florida, into producing child pornography. SCHEELS also employed, used, persuaded, induced, and enticed a third minor to produce and distribute child pornography to SCHEELS from the Eastern District of North Carolina. SCHEELS sought out additional minor victims in his neighborhood and attempted to communicate with and groom those minors into having sexual relationships with him. SCHEELS further communicated with no less than eight minors on the internet and attempted to groom those minors into producing child pornography for distribution to him for his personal sexual gratification and entertainment.

Regarding Count One of the Superseding Information, SCHEELS photographed "minor victim 1," who was known by SCHEELS to be a minor (person under the age of 18 years old) engaging in sexually explicit conduct and a lascivious exhibition. "Minor victim 1" was 14 years old at the time and known by SCHEELS to be 14 years old. SCHEELS had access to "minor victim 1" through a position of trust that he held regarding "minor victim 1."

Particularly, on November 14, 2014, several photographs on SCHEELS's HTC cellular telephone show "minor victim 1" with SCHEELS in which both of their faces are visible and distinguishable. The photographs were taken in a bedroom in SCHEELS's home in Seminole County. The photographs then progress to showing "minor victim 1" in bra and panties, showing "minor victim 1" topless, and finally, to showing "minor victim 1" with SCHEELS's penis in "minor victim 1's" mouth. The photographs depict sexually explicit conduct and a lascivious exhibition of "minor victim 1." All of the November 14, 2014, photographs are contained within a time range of approximately 32 minutes and are sequential files. SCHEELS's telephone, a HTC EVO cellular telephone, model #PC36-100, serial #HT11YHL04794, was manufactured outside of the United States and was transported and shipped in interstate and foreign commerce before being used by SCHEELS to produce child pornography. The telephone further meets the definition of a cellular telephone and computer, and constitutes a facility of interstate commerce under federal law.



Regarding Count Two of the Superseding Information, on October 14, 2014, SCHEELS received a 12:44 minute video from "minor victim 2," who SCHEELS had approached and developed a romantic relationship with on the internet through KiK messenger. SCHEELS knew "minor victim 2" was 16 years old at the time the child pornography was created and distributed to SCHEELS. The video showed a close up of "minor victim 2's" vagina as she penetrated her vagina with an inanimate object and shows sexually explicit conduct and a lascivious exhibition. SCHEELS had requested that "minor victim 2" create and distribute the child pornography to him. The video was created in the Eastern District of North Carolina by "minor victim 2" using an iPhone and transported to SCHEELS, via the internet, who was located in Seminole County, in the Middle District of Florida. The iPhone was manufactured outside the United States and had been shipped and transported in interstate and foreign commerce before being used to produce and distribute child pornography. SCHEELS received the child pornography on his Samsung Note 3 cellular telephone, model # SM-N900P, which was manufactured outside the United States and had been shipped and transported in interstate and foreign commerce before being used to receive and possess child pornography. Both cellular telephones constitute cellular telephones and computers, as well as facilities of interstate commerce, under federal law.



Initial Investigation

On January 11, 2015, SCHEELS's wife found sexually explicit photographs of "minor victim 1" and SCHEELS on SCHEELS's HTC cellular telephone at their home in Seminole County, Florida, and notified the Sanford Police Department. Over the course of several days, "minor victim 1" admitted that SCHEELS photographed "minor victim 1" engaged in sexually explicit conduct and also confirmed that it was SCHEELS's penis in "minor victim 1's" mouth in the November 14, 2014, photographs. "Minor victim 1" was known to both SCHEELS's wife and SCHEELS to be 14 years old at the time the photographs were taken. SCHEELS had access to "minor victim 1" through a position of trust.

SCHEELS's wife executed written consent forms permitting a search of the residence (January 12, 2015) and a search of the HTC cellular telephone (January 11, 2015). A number of electronic devices, which are listed below, along with a .22 caliber handgun, magazine, and seven rounds of ammunition, were recovered from the residence. On January 15, 2015, SCHEELS's wife provided state investigators with the Samsung Note 3 cellular telephone, SCHEELS's then current cellular telephone, which SCHEELS's wife had located in the family van.

On January 16, 2015, a state search warrant was authorized granting the search of the following electronic devices and electronic storage devices:

- HTC EVO cellular telephone, model #PC36-100, serial #HT11YHL04794

- Samsung tablet, model #SM-T217S, SKU SPH217STAB in black case
- Samsung Galaxy SIII cellular telephone, model #SPH-L710 in a white case
- Blackberry cellular telephone, model #RDU71CW
- SanDisk thumb drive
- Samsung Note 3 cellular telephone, model #SM-N900P in a black case
- Additional memory cards located within the above-listed electronic devices

SCHEELS admits that these items were used to produce, receive, distribute, and/or possess child pornography and facilitated the offenses of conviction, and are therefore subject to forfeiture.

"Minor Victim 1"

Images constituting child pornography, that is a lascivious exhibition and sexually explicit conduct, were located on SCHEELS's HTC cellular telephone. There are six images of "minor victim 1" which were taken on November 10, 2014, showing "minor victim 1" masturbating. There is an image showing SCHEELS's and "minor victim 1's" faces on November 14, 2014, at 10:33 a.m. The image of SCHEELS's face matches SCHEELS's booking photo. Images taken over the next 22 minutes on November 14, 2014, include 19 images showing "minor victim 1" either naked, in under garments, or engaged in a sex act with SCHEELS. Nine of these images are of child pornography and also show "minor victim 1" engaged in sexually explicit conduct with SCHEELS. Additional photographs taken between September 2014 and December 2014, show "minor victim 1" in SCHEELS's house wearing only a shirt, show the results

of SCHEELS cutting his tongue with a razor blade and display SCHEELS's penis. All of these images were taken by SCHEELS with his HTC cellular telephone in Seminole County, Florida. On September 28, 2014, SCHEELS is photographed by "minor victim 1" while SCHEELS was texting while driving and driving an automobile over 120 miles per hour in the rain with "minor victim 1" in the passenger seat of the vehicle.

Images taken from SCHEELS's Samsung tablet depict the following. Photographs show "minor victim 1" crying on October 31, 2014, shows a whip on November 1, 2014, and show SCHEELS handcuffed to a bed in his house naked while being whipped and having a fake gun held to his head by "minor victim 1" on November 5, 2014. Due to "minor victim 1's" presence in the bondage photographs on November 5, 2014, it appears that "minor victim 1" took the photographs of SCHEELS. Additional photographs are of SCHEELS's penis and also show self-inflicted wounds by SCHEELS. Another minor ("minor witness 1") known to SCHEELS to be a 13 year old minor is depicted cross dressing and wearing makeup in several photographs. SCHEELS had access to "minor witness 1" due to a position of trust.

KiK Messenger Chats

Online chat logs from the communication application KiK messenger have been recovered from SCHEELS's Samsung Note 3 cellular telephone, model #SM-N900P. These chats contain child pornography, have been used to identify "minor victim 2" in North Carolina, and are being used to identify additional

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potential victims in this case. SCHEELS communicated with no less than eight minors through KiK messenger. During these chat logs, SCHEELS role played having sex with minors, discussed the topic of having sex with minors, requested photographs of minors, requested that minors produce and send him child pornography, directed minors to call him "Daddy," posed as a minor in talking to minor girls, commented on the attractiveness of minor girls, and talked about being a cutter (someone who self-mutilates with a razor or sharp blade). During one conversation, SCHEELS encouraged a young minor girl to show SCHEELS her recent cuts. SCHEELS sought to talk to children that were also cutters.

"Minor Victim 2"

During an FBI interview with SCHEELS's wife, SCHEELS's wife provided information later linked to "minor victim 2." SCHEELS told his wife that he planned to marry "minor victim 2" whom SCHEELS indicated was 20 years old and lived in North Carolina. SCHEELS's wife confirmed that SCHEELS communicated with "minor victim 2" through KIK messenger and noted that "minor victim 2" and "minor victim 1" were friends. In referencing "minor victim 2," SCHEELS referred to her by her nickname. In a separate FBI interview, SCHEELS's mother mentioned SCHEELS's stated relationship with a 20 year old woman in North Carolina. "Minor victim 2" was 16 years old at the time of her online relationship with SCHEELS during the fall and winter of 2014.

Evidence obtained from SCHEELS's Samsung Note 3 cellular telephone includes 14 videos of child pornography depicting "minor victim 2" engaged in

sexually explicit conduct or lascivious exhibitions. One photograph in those chat logs is a copy of "minor victim 2's" temporary driver's license, which shows that "minor victim 2" was a minor at the time that the child pornography was produced. In another photograph sent from "minor victim 2" to SCHEELS, "minor victim 2" provided a photograph of her high school. During several of the videos and KiK messenger chat logs, "minor victim 2" called SCHEELS "Daddy," "Master," or "Douglas." Further, "minor victim 2" referred to herself as "sub," which is a term used to refer to a submissive person in a sadomasochistic relationship. "Minor victim 2" apologized to SCHEELS during several of the sexual videos and indicated that the videotaped sexual acts were being performed as punishment for some action by "minor victim 2" that offended SCHEELS. Those videos, each of which constitute child pornography and are sexually explicit conduct and lascivious exhibitions, include the following:

1. 7/29/14 – 2:33 minute video showing "minor victim 2" vaginally penetrating herself with hairbrush.
2. 7/31/14 – 1:45 minute video showing "minor victim 2" digitally penetrating her vagina and penetrating her anus with a hairbrush.
3. 8/23/14 – 12 second video showing close up of "minor victim 2's" vagina while she is urinating.
4. 9/03/14 – 10 second video showing close up of "minor victim 2's" vagina while she is urinating.
5. 9/06/14 – 54 second video showing full body nude. "Minor victim 2" bends over exposing her vagina.
6. 9/06/14 – 39 second video showing "minor victim 2" sitting with legs spread and vagina exposed.
7. 9/06/14 – 2:33 minute video showing "minor victim 2" full nude while

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digitally penetrating herself.

8. 9/07/14 - 10 second video showing close up of "minor victim 2's" vagina while she is urinating.
9. 9/19/14 - 36 second video showing "minor victim 2" spank herself with a hairbrush with her vagina and anus exposed.
10. 9/29/14 - 6:15 minute video showing "minor victim 2" disrobe and kneel in front of the camera. "Minor victim 2" turns to expose vagina and anus and is shown digitally penetrating herself.
11. 10/5/14 - 19 second video showing "minor victim 2" spank exposed vagina with hairbrush.
12. 10/14/14 - 12:44 minute video showing a close up of "minor victim 2's" vagina as she penetrates herself with a sucker.
13. 11/09/14 - 6:29 minute video showing "minor victim 2" penetrate her vagina with a hairbrush.
14. 11/11/14 - 17:39 minute video showing "minor victim 2" taking a bath and masturbating with a bar of soap.

SCHEELS's wife was interviewed in May 2015 and indicated that SCHEELS was in Seminole County, Florida, when the above images were created and received by SCHEELS. During the fall of 2014, SCHEELS was only away from Seminole County, Florida, from September 26 through 28, 2014, when he was in Gainesville, Florida, for a car show.

A document entitled "Daddy Rules" was recovered from SCHEELS's Samsung Note 3 cellular telephone. "Daddy's Rules" is a set of rules possessed by SCHEELS for utilization by one or more minor victim(s). Those rules refer to SCHEELS as "Daddy" and his minor victim(s) as "babygirl(s)." The rules include not arguing with "Daddy," obeying "Daddy" immediately and at all times (including regarding requests by "Daddy" for sex), granting "Daddy" complete access and



control over the minor victims' lives, the grooming of private areas by the minor victim, not sending sexual messages to people other than "Daddy," and directing complete compliance with "Daddy's" requests. The rules further set forth a system of corporal and sexual punishments that would result if "Daddy's Rules" were violated by a minor victim.

During a chat log with SCHEELS on October 1, 2014, "minor victim 2" stated the following, which is consistent with the language crafted by SCHEELS in "Daddy's Rules," "I, [redacted: full name of "minor victim 2"], being of sound mind, body, soul... do here by surrender my body completely to douglas also known to me as my daddy and now the owner of all which is known as [redacted: full name of "minor victim 2"], from now until the end of time. This decision is made solely by me and is irreversible by me or any other ruling factor."

During May 2015, FBI agents located and interviewed "minor victim 2." "Minor victim 2" indicated that she met SCHEELS via KiK messenger, an online communication application, in August 2014. SCHEELS contacted her after seeing her photograph on a message board and would listen to her problems during early discussions. "Minor victim 2" sent SCHEELS current photographs and created several usernames for the purpose of exclusive communication with SCHEELS at SCHEELS's request. "Minor victim 2" told SCHEELS immediately upon initial communication that she was 16 years old and talked about issues related to high school on a regular basis. SCHEELS said he was 30 years old and lived in the Orlando area with his mother and two nephews. SCHEELS

made daily requests that "minor victim 2" and SCHEELS enter into a romantic relationship. Upon "minor victim 2" eventually agreeing to this relationship, SCHEELS directed "minor victim 2" to refer to him as "Daddy." During the fall of 2014, "minor victim 2" sent daily sexually explicit videos and photographs of herself to SCHEELS via either Dropbox or KiK messenger at SCHEELS's request. From August 2014 through January 2015, SCHEELS and "minor victim 2" talked on the telephone for three to four hours per night. SCHEELS would always call "minor victim 2" from a blocked number and did not provide a number to "minor victim 2." The overwhelming number of calls would lead to phone sex between "minor victim 2" and SCHEELS. "Minor victim 2" also broadcasted several videos of herself masturbating to SCHEELS. During their nightly conversations, SCHEELS instructed "minor victim 2" to make sexually explicit videos of herself and send them to SCHEELS. SCHEELS and "minor victim 2" discussed having sex with one another. SCHEELS indicated that he wanted to have BDSM (bondage, sex, and masochism) sex with "minor victim 2" and many of their conversations regarded this type of sex. SCHEELS discussed marrying "minor victim 2" after "minor victim 2" finished high school. SCHEELS observed "minor victim 2" self-mutilating and wearing diapers. "Minor victim 2" indicated that the child pornography was produced and distributed by her using an iPhone, which item was manufactured in China and shipped and transported in interstate and foreign commerce. The iPhone also is considered a computer, a facility of interstate commerce. "Minor victim 2" also confirmed that she was in the Eastern

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District of North Carolina when all of the child pornography was created and distributed to SCHEELS.

SCHEELS FBI Interview

On February 5, 2015, SCHEELS was arrested on a federal criminal complaint (6:15-mj-1052) and was interviewed by FBI agents after being advised of the Miranda rights. SCHEELS stated the following. It should not be illegal for an adult to have sexual contact with a child as long as it is not forced and the child consents. Any psychological harm to "minor victim 1" was the fault of law enforcement efforts with regard to stopping his sexual abuse of "minor victim 1." SCHEELS's actions with "minor victim 1" did not cause any harm. SCHEELS could not state for certain whether SCHEELS had had sexual relations with "minor victim 1." When confronted with the fact that a picture exists of SCHEELS's penis inside "minor victim 1's" mouth, SCHEELS said SCHEELS would need to see the picture in order to know whether or not SCHEELS had received oral sex from "minor victim 1."

Additional Efforts by SCHEELS to victimize Minors

"Minor witness 2" was 13 and 14 years old during the 2014 and lived in SCHEELS's neighborhood. "Minor witness 2" indicated that SCHEELS took pictures (possibly naked) of "minor witness 2," told "minor witness 2" that he loved "minor witness 2" and thought "minor witness 2" was beautiful, would text "minor witness 2" and tell "minor witness 2" not to tell "minor witness 2's" parents that SCHEELS was talking to "minor witness 2," asked "minor witness 2" sexual

questions, and told "minor witness 2" to feel free to ask any sexual questions to SCHEELS. "Minor witness 2" further advised that SCHEELS was "creepy," had numerous images of naked girls on SCHEELS's cellular telephone which SCHEELS stated he received through KIK messenger, and interacted in inappropriate ways with "minor victim 1" (kissing "minor victim 1" on lips like a girlfriend, slow dancing with "minor victim 1", and grabbing "minor victim 1's" buttocks). "Minor witness 2" also indicated that "minor victim 1" stated that SCHEELS was teaching "minor victim 1" how to be a good wife someday. "Minor witness 2's" father was advised of the nature of "minor witness 2's" disclosures and stated that numerous neighbors had commented on SCHEELS's inappropriate interaction with "minor victim 1." "Minor witness 2's" father further indicated that SCHEELS stated to him that SCHEELS was teaching "minor victim 1" how to be a good wife. Chat logs between SCHEELS and "minor witness 2" on KiK messenger suggest that SCHEELS was attempting to groom "minor witness 2" into providing child pornography to SCHEELS and engaging in a sexual relationship with SCHEELS.

"Minor victim 3" is 14 years old and lives in SCHEELS's neighborhood. "Minor victim 3" was identified through a naked photograph of "minor victim 3" on SCHEELS's Samsung Note 3 cellular telephone embedded in a KiK messenger chat. In those chat logs, "minor victim 3" indicated her love for SCHEELS and stated that she couldn't wait to see SCHEELS. "Minor victim 3" was interviewed

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by the FBI and denied producing and distributing the nude photograph of her to SCHEELS.

Additionally, as noted, through KiK messenger SCHEELS sought to sexually exploit no less than eight minors.

Additional Information

During February 2015, a federal inmate proffered information to the FBI regarding SCHEELS, with whom the inmate had contact at the Seminole County Jail. SCHEELS made several admissions to the inmate. SCHEELS stated that he used wireless hotspots at places like McDonald's to attempt to meet teenage girls over the internet. SCHEELS stated that if a minor consents, what is the problem, and noted that society was accepting of this hundreds of years ago. SCHEELS admitting to having photographs of other victims, but did not describe the victims. SCHEELS discussed his knowledge of computer programming, onion router (TOR), Bitcoin, and TrueCrypt. SCHEELS used children over whom he had control to seek out sexually active minors in his neighborhood. SCHEELS stated he spent time with neighborhood kids at his house. SCHEELS described his technique for using long hugs with neighborhood girls to gauge their physical response. SCHEELS talked about taking photographs of young neighborhood girls, receiving nude photographs (without asking for them) from young minors, his interest in the sexual curiosity of young teens, and mentioned being confronted by other parents in the neighborhood about photographing the children. SCHEELS talked about having a fiancée who is going to move in with

SCHEELS when she turns 18. SCHEELS planned to use the defense that his wife was abusing the children. SCHEELS talked about his interest in being a foster parent and claimed he once worked at Disney.

Much of the information provided by the inmate had been independently corroborated through the investigation and was not widely known outside the investigative team.

SCHEELS admits that all of the facts above, including those provided by witnesses and victims in this case, are true and accurate.

United States Sentencing Guidelines

The parties agree that the below sentencing guidelines provisions, albeit not necessarily a comprehensive list, are supported by the facts in this case:

<u>USSG Description</u>	<u>Guideline</u>	<u>Points</u>
<u>Count One (Production of Child Pornography)</u>		
Base Offense Level	2G2.1	32
Victim between 12 and 16 years old	2G2.1(b)(1)	+2
Sexual Act or Sexual Contact	2G2.1(b)(2)(A)	+2
Sadistic or Masochistic Conduct	2G2.1(b)(4)	+4
Defendant with Position of Control	2G2.1(b)(5)	+2
<u>Count Two (Receipt of Child Pornography)</u>		
Base Level	2G2.2(a)(2)	22
Sadistic/Masochistic	2G2.2(b)(4)	+4
Pattern of Sexual Abuse of Minor	2G2.2(b)(5)	+5
Computer use	2G2.2(b)(6)	+2
600 or more images	2G2.2(b)(7)(D)	+5
Sex Offender Enhancement	4B1.5(b)(1)	+5